

Closed Session from Special Meeting – April 26, 2005

At 4:35 p.m. the Board adjourned to joint closed session with the Asheboro City Council to discuss matters relating to the location or expansion of business in the area served by the Board and the Council, pursuant to NCGS 143-318.11(a)(4). Commissioners Holmes, Kemp, Davis, and Lanier were present. Commissioner Frye was absent. City Council members present were Linda Carter, Keith Crisco, Nancy Hunter, John McGlohon, and Mayor David Jarrell. Also present representing the City were City Manager John Ogburn; Carol Cole, City Clerk; Debbie Juberger, Finance Officer; and City Attorney Jeff Sugg. Also present representing the County were Cheryl Ivey, Deputy Clerk to the Board; County Manager Frank Willis; County Attorney Alan Pugh; Associate County Attorney Aimee Scotton; and Deputy Finance Officer Will Massie. Representing the Randolph County Economic Development Corporation (EDC) were Bonnie Renfro and Melissa Foust.

Chairman Holmes called on Ms. Foust to make a presentation.

Melissa Foust, Existing Industry Coordinator for Randolph County EDC, said that Kayser Roth Corporation of Asheboro is planning an \$8-\$10 million expansion project. The company is evaluating three plants as the potential location for a facility expansion: 1 in Dayton, Tennessee, 2 sister plants in Graham, NC and the Asheboro location. The company will be purchasing 140-150 new knitting machines and investing \$3 million in new equipment. The facility is out of capacity and this addition will require adding 100,000 s.f. to an existing facility, which will result in an additional \$5-7 million new investment. This project will create 180 new jobs.

Incentives will be used to facilitate expansion and match grant funds offered by the state of NC. EDC has submitted a request for grant assistance and up to \$200,000 has been made available from the Governor's One NC Fund, which requires a 100% match. She said that Graham has already offered a \$200,000 incentives package.

The company is requesting \$200,000 (\$75,000 over 3 years from the County to offset costs associated with the expansion of the building and \$125,000 over 4 years from the City for costs associated with new equipment.) With the following plan there will be a positive cash flow from the start. Ms. Foust reviewed the following presentation:

Investment and property tax increase schedule based on current tax rate				
	Machinery & Equipment	Facility		Incentive Proposal
<i>New Investment:</i>	<i>\$3,000,000</i>	<i>\$5,000,000</i>		\$75,000
Randolph County			Running total new tax revenue	over 3 years
Year 2	*	\$25,000	\$25,000	
Year 3	*	\$25,000	\$50,000	
Year 4	*	\$25,000	\$75,000	
Year 5	*	\$25,000	\$100,000	
Year 6	*	\$25,000	\$125,000	
Year 7	*	\$25,000	\$150,000	
Year 8	*	\$25,000	\$175,000	
Year 9	*	\$25,000	\$200,000	
Year 10	*	\$25,000	\$225,000	
Year 11	*	\$25,000	\$250,000	
		\$250,000		

City of Asheboro				
Year 1	\$15,180		\$15,180	\$125,000 over 4 years
Year 2	\$13,365	\$27,500	\$56,045	
Year 3	\$12,210	\$27,500	\$95,755	
Year 4	\$10,890	\$27,500	\$134,145	
Year 5	\$9,570	\$27,500	\$171,215	
Year 6	\$8,415	\$27,500	\$207,130	
Year 7	\$7,095	\$27,500	\$241,725	
Year 8	\$5,610	\$27,500	\$274,835	
Year 9	\$4,455	\$27,500	\$306,790	
Year 10	<u>\$4,125</u>	<u>\$27,500</u>	\$334,290	
	\$90,915	\$247,500		

Incentive Proposal Structure				
	City	County	Combined Incentive Payment	Performance Triggers
Year 1	\$15,000	\$0	\$15,000	New investment equaling \$3 million & creation of at least 45 new jobs
Year 2	\$41,000	\$25,000	\$66,000	Certificate of Occupance certifying 100,000 s.f. facility expansion & creation of at least 45 new jobs for a total of 90 new jobs to date
Year 3	\$40,000	\$25,000	\$65,000	Creation of at least 45 new jobs for a total of 135 jobs to date
Year 4	\$29,000	\$25,000	\$54,000	Written proof of creation & retention of all 180 jobs

* Randolph County will collect new property tax revenue for equipment installed by Company but that amount was not used in the calculation of project incentives.

At 5:00 p.m., on motion of Kemp, seconded by Davis, the County Commissioners voted unanimously to return to regular session.

The City also voted to return to regular session.

J. Harold Holmes, Chairman

Arnold Lanier

Phil Kemp

Robert B. Davis

Cheryl Ivey, Deputy Clerk to the Board

Approved: June 6, 2005

Unsealed: June 6, 2005